



UNITED STATES DEPARTMENT OF EDUCATION

Federal Student Aid

TO: Secretary Rod Paige
U.S. Secretary of Education

FROM: Terri Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: August 30, 2004

THE WEEK AHEAD

FSA IN THE FIELD

Fundamentals of Title IV Administration: On August 23-24, FSA representatives conducted Fundamentals of Title IV Administration Training at the San Francisco Regional Training Facility.

OPERATIONAL METRICS

Application Activities through August 23, 2004: The Central Processing System (CPS) has processed 10.5 million FAFSA applications for the 2004-05 cycle, a 3.1% increase over the 2003-04 cycle.

Program Disbursements: Through the week ending August 21, annual Pell Grant disbursements reached \$823.3 million for the 2004-2005 academic year, a 10.2% increase over last year. Through the week ending August 21, annual Direct Loan disbursements reached \$1.1 billion for the 2004-2005 academic year, a 3.4% decrease over last year. Through the week ending August 24, annual FFEL disbursements reached \$775.3 million for the 2004-2005 academic year, a 24.7% increase over last year. Through July, annual Direct Consolidation Loan disbursements reached \$5.08 billion.

Direct Loan (DL) Servicing: As of July 31, the Direct Loan Portfolio reached 17.1 million loans (a 2.7% increase over last year) with a total value of \$82.0 billion (a 3.3% increase over last year) representing 6.3 million borrowers (a 3.5% increase over last year).

Direct Loan Delinquency Summary: The Direct Loan portfolio delinquency rate for July 2004 rose to 11.93 percent from 11.50 percent in June. The delinquency rate for July 2003 was 12.01 percent.

Consolidation Activity through July 31, 2004: Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled \$2.85 billion, a 1.5% increase over last year. Consolidations from the FFEL program into the Direct Loan

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Consolidation program totaled 2.96 billion, a 1.0% increase over last year. Consolidations from the Direct Loan program into the FFEL program totaled \$7.2 billion, a 16.6% increase over last year.

Total Default Recoveries: Through August 20, total FSA Default Recoveries for FY04 reached \$1.649 billion, an increase of 12% from this time last year. Total non-consolidation recoveries reached \$1.465 billion, an increase of 22%. Combined Recoveries from our private collection agency efforts have reached \$1.106 billion, up 21% over the same period in FY03.

Guarantor Recoveries: Through the end of July, total Guarantor Default Recoveries for FY04 reached \$3.12 billion, an increase of 3% from this time last year. Combined ED and guarantor recoveries reached \$4.65 billion, a 2% increase over last year. Total non-consolidation recoveries for ED and guarantors combined reached \$2.99 billion, an increase of 12.3%.

1-800-4-FED-AID through August 21, 2004: Year to date, the Federal Student Aid Information Center (FSAIC) has received 5.7 million calls, an 11.8% decrease over last year. Service levels have increased with 99.2% of calls completed, a .3% increase over last year. The average speed to answer decreased by 30.0% over last year to 6.3 seconds.

Direct Loan Servicing Call Center Phone Activity through August 20, 2004: Year to date, the Direct Loan Servicing Centers received 4.12 million calls to the Interactive Voice Response System, a decrease of 4.9% from 2003. Of those calls received, Borrower Services representatives handled 2.9 million calls, a decrease of 6.6% from 2003. The average speed of answer was 5.8 seconds, a decrease of 15.9% from 2003. The resolve rate for the Voice Response System was 29.2%, an increase of 4.9% from 2003. The Abandoned Call Rate was 0.25%, a decrease of 3.3% from 2003.

Student Aid on the Web: For the week ending August 21, *Student Aid on the Web* recorded 421,307 visits, 7,721,022 hits and 803,473 page views representing increases of 32.7%, 54.4%, and 38.9% respectively over the same period last year. MyFSA, the *Student Aid on the Web* feature that allows students and parents to establish their own personal password protected accounts for use as they move through the financial aid life cycle, has recorded 45,967 new accounts through the week ending August 21st.

Students.gov: For the week ending August 21, Students.gov received 63,482 visits representing 1.6 million hits. As of August 23, 15,560 people subscribed to Students.gov "InfoSource", a subscription service that provides useful tips on education after high school.

FAFSA on the Web: On August 22, FAFSA on the Web received the 8 millionth web application for the 2004-2005 cycle, exceeding the entire number of applications submitted online last year.

Information for Financial Aid Professionals (IFAP) Web site Usage: For the week ending August 21, www.ifap.ed.gov received 69,377 visits representing 1.8 million hits, an increase of 3% over last year.

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Schools Portal Usage: For the week ending August 21, www.fsa4schools.ed.gov received 14,015 visits representing approximately 1.1 million hits, an increase of 47% over last year.

Customer Service Call Center Activity: For the week ending August 21, the Customer Service Call Center received 359 inquiries and posted 10 documents to IFAP.

KEY ISSUES

Defaulted Loan Rehabilitation: Education Credit Management Corporation (ECMC) agreed to assume the role of guarantor for rehabilitated defaulted FFEL loans previously held by ED and sold to private FFEL lenders. FSA has been working with ECMC and NSLDS over the past year to develop procedures for transferring loan data to ECMC and to provide ECMC with the ability to report these rehabilitated loans to NSLDS. To date, ECMC has loaded more than 91,000 of these loans to its guaranty system.

E-Gov/eLoans: The GovLoans team is continuing to prepare for the transfer of GovLoans ownership to DOL/GovBenefits on September 30, 2004. The team is working with OMB and DOL to finalize a Memorandum of Agreement (MOA), which will be signed by Bill Leidinger (ED) and Pat Pizzella (DOL).

ON THE HORIZON

Black Family Reunion: On September 11-12, FSA representatives will be exhibiting at the ED-sponsored Education Pavilion at the annual Black Family Reunion on the Mall.

Cohort Default Rate Announcement: The student loan cohort default rates will be announced on/about September 13. Last year, the nation's student loan default rate dropped to an all-time low of 5.4%.

ED's Back-to-School Fair: On September 14, FSA will be participating in the Department's Back-to-School Fair. FSA representatives will be distributing information to employees in attendance on Planning and Preparing for College.

New Financial Aid Director's Training: On September 21-22, FSA representatives will be conducting New Financial Aid Director's Training in Sacramento, CA.

CONTACT INFORMATION

Please contact Chris Greene at 377-4003 with any questions.